GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:421
ANSWERED ON:04.05.2007
HOUSING FINANCE COMPANIES
Rana Shri Kashi Ram;Yadav Shri M. Anjan Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether several Housing Finance Companies with doubtful credibility are operating in the country and are defrauding the people;

(b) if so, the facts thereof;

(c) whether the Government has conducted any inquiry in this regard; and

(d) if so, the outcome thereof and the action taken against such companies?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a), (b), (c) & (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A), (B) (O & (D) OF LOK SABHA STARRED QUESTION NO.$421 TO BE ANSWRED ON 4th MAY, 2007 TABLED BY SHRI ANJAN KUMAR M.YADAV AND SHRI KASHIRAM RANA REGARDING HOUSING FINANCE COMPANIES:

(a), (b), (c) & (d): At present there are 42 registered Housing Finance Companies (HFCs). These are regulated by the National Housing Bank(NHB). The NHB has not received any depositor`s complaint against any of the 42 HFCs registered with it. However, in the recent past the NHB has come across one instance of an HFC which has indulged in fraudulent activities. The Certificate of Registration(COR) of the HFC has been cancelled and criminal proceedings have been initiated by the NHB. NHB has also come across instances of a few unregistered HFCs carrying on the business of housing finance. On receiving such information, NHB has proceeded against these companies under the NHB Act and has also filed winding up petitions in the various High Courts.